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August 7, 2012

BY HAND

Douglas R. Kramer
Acting Deputy Director
Bureau of Energy Resources
Office of Americas and Asia
U.S. Department of State
2201 C Street, NW, Room 4843
Washington, DC 20520

Re: *NOVA Chemicals Inc.*
Notice of Succession to Presidential Permit (re Lines 16, 18 and 19)

Dear Mr. Kramer:

NOVA Chemicals Inc. ("NOVA Inc.") hereby notifies the United States Department of State ("DOS") that NOVA Inc. is the successor in interest to Polysar Hydrocarbons Inc. ("Polysar"), which obtained a Presidential Permit in 1986 in connection with the operation of four pipelines for the transportation of liquid hydrocarbons, including propylene and ethylene, at the U.S. – Canada border.¹ As detailed herein, by way of corporate succession, NOVA Inc. now owns and operates the relevant pipeline facilities. NOVA Inc. respectfully requests that, in accordance with the procedures outlined in DOS Public Notice 5092,² a new Presidential Permit be issued under its name with respect to the three pipeline facilities described more fully below.³

¹ See Permit Authorizing Polysar Hydrocarbons, Inc. To Construct, Connect, Operate, And Maintain Four Pipelines At The International Boundary Line Between The United States And Canada (Aug. 13, 1986) ("1986 Presidential Permit") (attached as Exhibit 1).

² Procedures for Issuance of a Presidential Permit Where There Has Been a Transfer of the Underlying Facility, Bridge or Border Crossing for Land Transportation [DOS Public Notice 5092] (May 24, 2005), available at <http://www.state.gov/p/wha/rls/110952.htm>.

³ NOVA Inc. is concurrently filing an application for a Presidential Permit covering Line 20, the fourth pipeline authorized under the 1986 Presidential Permit, in order to obtain renewed authorization to operate border crossing facilities associated with Line 20 in natural gas liquids transportation service. In
(Continued...)

I. Communications

All correspondence, communications, and other documents related to this proceeding should be addressed to the following persons:

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II. Identifying Information

NOVA Inc. is incorporated in the state of Delaware, and is a wholly-owned subsidiary of NOVA Chemicals Corporation (“NOVA Corporation”). NOVA Corporation is a global company continued under the laws of the Province of New Brunswick, Canada; its head office is located at 1000-7th Avenue S.W., Calgary, Alberta, Canada T2P 5C6, and its United States commercial center is located at 1555 Coraopolis Heights Road, Moon Township, PA 15108. All of the issued and outstanding shares of NOVA Corporation are owned by a wholly owned subsidiary of International Petroleum Investment Company (“IPIC”), which is wholly owned by the government of the Emirate of Abu Dhabi, United Arab Emirates.

The following list includes all significant subsidiaries of NOVA Corporation and indicates their respective jurisdictions of incorporation, continuance, or organization. All of the voting securities of each significant subsidiary are held directly or indirectly by NOVA Corporation:⁴

addition, NOVA Inc. is concurrently filing another notice of succession for a brine pipeline in the vicinity.

⁴ See also NOVA Chemicals Corporation, Annual SEC Filing on Form 20-F (filed Mar. 13, 2012), available at <http://www.novachem.com/Pages/financials-investor/investor-sec-filings.aspx>.

Name	Jurisdiction
NOVA Chemicals (Canada) Ltd./NOVA Chimie (Canada) Ltée.	Canada
NOVA Chemicals Inc.	Delaware, USA
NOVA Petrochemicals Ltd.	Alberta, Canada
NC Holdings USA Inc.	Delaware, USA

In addition, NOVA Corporation indirectly owns 100% of the voting securities of Genesis Pipeline Canada Ltd., which is incorporated under the laws of Canada and owns the Canadian pipeline facilities interconnected to Lines 16, 18 and 19.

NOVA Corporation develops and manufactures a variety of chemical and plastic products. NOVA Inc., which is NOVA Corporation's principal U.S. subsidiary, markets NOVA Corporation products in the United States, owns interests in expandable polystyrene and resin production facilities⁵ in Monaca, Pennsylvania and Painesville, Ohio, and owns interests in pipeline facilities in the United States, including the three pipelines that are the subject of this notice (Lines 16, 18 and 19), and other pipeline facilities located in the vicinity (another natural gas liquids pipeline, Line 20 and the brine pipeline, Line 39).

NOVA Corporation and NOVA Inc. have operated pipeline facilities in the southern Ontario and eastern Michigan areas since 1975 and 1986, respectively. They currently own and operate 33 pipelines with an aggregate length of approximately 110 miles, including Lines 16, 18, 19, 20 and 39. NOVA Inc.'s U.S. pipeline operations are subject to the requirements of the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration ("PHMSA")⁶ and NOVA Corporation's Ontario pipeline operations are regulated by the National Energy Board of Canada and the Technical Standards and Safety Authority of Ontario.

III. Notice of Succession

Lines 16, 18 and 19 were constructed in 1986 and were authorized by the 1986 Presidential Permit to transport natural gas liquids, propylene, and ethylene between the United States and Canada.⁷ The pipelines were initially constructed and owned by Polysar and its

⁵ NOVA Corporation and PFB Corporation ("PFB") announced on May 9, 2012 that they have signed a letter of intent for PFB, through its subsidiary PFB International Corporation, to acquire NOVA Chemicals' Performance Styrenics business, including the expandable polystyrene and ARCEL[®] resin products. Following closing, which is anticipated in the fourth quarter of 2012, NOVA Corporation will have an equity stake in PFB and hold two seats on PFB's Board of Directors.

⁶ Additional information is available at the PHMSA website, *available at* <http://phmsa.dot.gov/portal/site/PHMSA>. NOVA Inc.'s registration number is DOT ID # 32215.

⁷ Line 20, which was constructed at the same time as Lines 16, 18 and 19, was later leased to third parties and converted to natural gas transportation service. As noted above, the conversion of Line 20 back to natural gas liquids transportation service is the subject of a separate application for a Presidential Permit, which NOVA Inc. is concurrently filing with DOS.

upstream owner, Polysar Energy & Chemical Corporation, at the time a subsidiary of Canada Development Corporation.

In September 1988, Polysar Energy & Chemical Corporation was acquired by NOVA Corporation's predecessor in interest, NOVA Corporation of Alberta. NOVA Corporation of Alberta operated a petrochemical business primarily through its subsidiary Novacor Chemicals Ltd., the indirect parent of, among other entities, NOVA Inc. At the time of the acquisition of its indirect parent Polysar Energy & Chemical Corporation, Polysar retained its corporate existence and ownership of Lines 16, 18, and 19. In February 1991, through a series of internal transactions, Polysar's direct parent was merged into NOVA Inc. and Polysar changed its name to Novacor Hydrocarbons Inc. In March 1996, Novacor Hydrocarbons Inc.'s name was changed to NOVA Hydrocarbons Inc., and then two weeks later its name was changed to NOVA Chemicals Hydrocarbons Inc. Effective December 31, 1996, NOVA Chemicals Hydrocarbons Inc. was merged into NOVA Inc.⁸

Although since 1996 there have been several corporate transactions involving changes in ownership of NOVA Inc.'s corporate parent, none has affected NOVA Inc. itself. NOVA Inc. has retained its existence as a downstream subsidiary of NOVA Corporation and has continuously owned all of the border crossing facilities subject to the 1986 Presidential Permit.

Lines 16, 18 and 19 each consist of approximately 1,350 feet of pipeline extending from a block valve site in St. Clair County, Michigan near the City of Marysville to the international border between the United States and Canada, as well as certain appurtenant facilities. Line 16 is an 8-inch natural gas liquids service pipeline, Line 18 is a 6-inch ethylene service pipeline, and Line 19 is a 6-inch propylene service pipeline. NOVA Inc. represents that the use of each of these facilities has remained essentially unchanged from the use authorized by the 1986 Presidential Permit.

NOVA Inc. anticipates no change in the operations of Lines 16, 18 and 19 relative to those that were authorized by the 1986 Presidential Permit, and hereby agrees to continue to abide by the terms and conditions of that Permit. Accordingly, as Public Notice 5092 provides, DOS may treat this application as one involving a "routine administrative function" within the meaning of its Regulations for Implementation of the National Environmental Policy Act, 22 C.F.R. § 161.7(b)(3) (2012), for which no environmental review is required.

⁸ The relevant articles of amendment are included in Exhibit 2 hereto.

IV. Conclusion

For the reasons set forth above, NOVA Inc. respectfully requests that DOS accept this notice of succession regarding the 1986 Presidential Permit for the operation and maintenance of Lines 16, 18 and 19 for the transportation of natural gas liquids, ethylene and propylene at the United States – Canada Border, and issue a new Presidential Permit with respect to these three pipelines in the name of NOVA Chemicals Inc., containing in substance the terms and conditions of the 1986 Presidential Permit.

Please do not hesitate to contact the undersigned with any questions.

Respectfully submitted,

James F. Bowe, Jr.

Counsel for *NOVA Chemicals Inc.*

Attachments

cc: David Huitema, Esq.

NOVA Chemicals Inc.
Notice of Succession to Presidential Permit

Exhibit 1

1986 Presidential Permit

NOVA Chemicals Inc.
Notice of Succession to Presidential Permit

Exhibit 2

Articles of Amendment